

20 July 1978

*Per leg.*

MEMORANDUM FOR THE RECORD

SUBJECT: 19 July House Government Operations Committee  
Consideration of H.R. 12171, the "Federal  
Accounting and Auditing Act of 1977"

1. The undersigned attended subject Committee mark-up session in the Rayburn House Office Building.
2. Prior to the commencement of the session, I delivered to William M. Jones, Committee General Counsel, our views letter signed by Mr. Carlucci addressing our views and strong opposition to Chairman Jack Brooks.
3. Subject bill was the second item on the Committee's agenda. Chairman Brooks brought the bill up for consideration by the full Committee. Representative Frank Horton (R., N. Y.) in commenting on the merits of the bill said that notwithstanding the testimony of Deputy Assistant Attorney General Hammond on 26 June, who raised serious constitutional questions with regard to the bill, the bill is "reasonable" and would permit the GAO to enforce its statutory right with regard to confidential funds expenditures.
4. Representative Elliot Levitas (D., Ga.) recalled that Mr. Hammond had found that section of the bill that would grant the Comptroller General a cause of action in U.S. District Court to enforce his confidential funds expenditures audit authority (provided for elsewhere in the bill) of questionable constitutionality. In response to this comment, Chairman Brooks said that under present circumstances GAO auditors are met with a polite "drop dead" when they request access to such records. This bill would, according to Mr. Brooks, rectify that situation. Ms. Levitas agreed saying that the Justice Department finds most everything to be unconstitutional.
5. The bill then was passed by the full Committee by voice vote and ordered reported to the floor for floor action.

6. Shortly after the action taken by the full Committee, I stopped by to see Mike O'Neil, Chief Counsel, HPSCI, to inform him of the latest developments re H.R. 12171. I reminded Mr. O'Neil that we have been on record with him as wanting HPSCI to take sequential referral of the bill because of the unique impact the bill would have on the CIA. Mr. O'Neil asked that we send a letter from the DCI to Chairman Boland requesting the Committee to take sequential referral.

STAT

Distribution:

1 - OGC  
1 - O/Compt  
1 - O/Finance  
1 - IG Audit Staff  
1 - OLC Subject  
1 - OLC Chrono  
OLC:RJW:sm (20 Jul 78)